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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
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ELXSI CORPORATION
(name of registrant as specified in its charter)

Delaware	77-0151523
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

115 East Putnam Avenue Greenwich, Connecticut	06830
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (203) 661-9645

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(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

On May 12, 1992, the registrant had outstanding 113,256,998 shares of Common Stock, par value $0.001 per share.

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

ELXSI CORPORATION
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands)

ASSETS

	March 31, 1992 (Unaudited)	December 31, 1991
Current assets:		
Cash and cash equivalents	$ --	$ --
Accounts receivable	60	514
Inventories	340	352
Prepaid expenses and other current assets	260	345
Assets held for sale	677	--
Total current assets	1,337	1,211
Property, buildings and equipment, net	20,853	22,015
Intangible assets, net	2,211	2,114
Deferred debt costs, net	612	648
	$ 25,013	$ 25,988

The accompanying notes are an integral part of these consolidated financial statements.

ELXSI CORPORATION
CONSOLIDATED BALANCE SHEET (CONTINUED)
(Dollars in Thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1992 (Unaudited)	December 31, 1991
Current liabilities		
Accounts payable and drafts payable	$ 984	$ 1,262
Accrued expenses	2,743	2,753
Capital lease obligations - current	12	12
Estimated liabilities related to restructuring	1,074	1,074
Total current liabilities	4,813	5,101
Capital lease obligations	759	762
Long-term debt	11,348	12,512
Other liabilities	450	450
Total liabilities	17,370	18,825
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, Series A Non-voting Convertible, par value $0.002 per share Authorized--5,000,000 shares Issued and outstanding--none	--	--
Common stock, par value $0.001 per share Authorized--160,000,000 shares Issued and outstanding--113,256,998 at March 31, 1992 and at December 31, 1991	113	113
Additional paid-in capital	231,031	231,031
Accumulated deficit	(223,501)	(223,981)
Total stockholders' equity	7,643	7,163
	$ 25,013	$ 25,988

The accompanying notes are an integral part of these consolidated financial statements.

ELXSI CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Amounts in Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended March 31, 1992	1991
Net sales	$ 8,880	$ --
Costs and expenses		
Cost of sales	7,129	--
General and administrative	514	126
Depreciation and amortization	316	--
Operating income (loss)	921	(126)
Other income (expense)		
Interest income	--	140
Interest expense	(383)	(101)
Income (loss) before provision for income taxes	538	(87)
Provision for income taxes	58	--
Net income (loss)	$ 480	$ (87)
Net income (loss) per common share	$ --	$ --
Weighted average number of common shares	128,257	115,411

The accompanying notes are an integral part of these consolidated financial statements.

ELXSI CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Amounts in Thousands)
(Unaudited)

	Common Stock		Additional Paid-In	Accum-ulated
	Shares	Dollars	Capital	Deficit
Balance at December 31, 1991	113,257	$ 113	$ 231,031	$ (223,981)
Net income				480
Balance at March 31, 1992	113,257	$ 113	$ 231,031	$ (223,501)

The accompanying notes are an integral part of these consolidated financial statements.

ELXSI CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
Cash flows from operating activities:		
Net income (loss)	$ 480	$ (87)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	280	--
Amortization of deferred debt costs	36	--
Amortization of debt discount	11	10
(Increase) decrease in assets:		
Accounts receivable	454	--
Inventories	12	--
Prepaid expenses and other current assets	85	11
Increase (decrease) in liabilities:		
Accounts payable	(278)	(31)
Accrued expenses	(10)	90
Restructuring reserves	--	91
Net cash provided by operating activities	1,070	84
Cash flows from investing activities:		
Proceeds from sale of Restaurants	271	--
Purchase of property, building and equipment	(163)	--
Increase in deposit	--	(1,000)
Net cash provided by (used in) investing activities	108	(1,000)
Cash flows from financing activities:		
Proceeds from issuance of long term debt	9,067	--
Payment of long term debt	(10,242)	--
Principal payments of capital lease	(3)	--
Net cash used in financing activities	$ (1,178)	$ --

The accompanying notes are an integral part of these consolidated financial statements.

ELXSI CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
(Dollars in Thousands)
(Unaudited)

	Three Months Ended March 31, 1992	1991
Increase (decrease) in cash and cash equivalents	$ --	$ (916)
Cash and cash equivalents, beginning of period	--	8,597
Cash and cash equivalents, end of period	$ --	$ 7,681
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for		
Income taxes	$ 107	$ 77
Interest	370	--
Cash received during the period for		
Interest	--	191

Supplemental Disclosure of Noncash Investing and Financing Activities

In September 1989, the Company recorded a $301,000 debt discount upon issuance of $2,000,000 in senior subordinated notes. Interest expense on the Statement of Operations for the three months ended March 31, 1992 and 1991 includes $11,000 and $10,000, respectively, of amortization of this debt discount.

The accompanying notes are an integral part of these consolidated financial statements.

ELXSI CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1992
(Unaudited)

Note 1. The Company

General The information contained in this report is unaudited but, in management's opinion, all adjustments necessary for a fair presentation have been included. The results for the three months ended March 31, 1992 are not necessarily indicative of results to be expected for the entire year. These financial statements and notes should be read in conjunction with ELXSI Corporation's Annual Report on Form 10-K for the year ended December 31, 1991.

Prior to 1990, ELXSI Corporation (together with its subsidiaries, the "Company") operated principally through its wholly-owned California subsidiary, ELXSI. During that period the principal business of ELXSI was the design, manufacture, sale and support of minisupercomputers. In September 1989, the Company discontinued all computer operations.

On July 1, 1991, ELXSI acquired thirty Bickford's and twelve Howard Johnson's Restaurants (the "Restaurants"), which are located in Massachusetts, Vermont, New Hampshire, Rhode Island and Connecticut , from Marriott Family Restaurants, Inc. The Restaurants are family oriented restaurants with a wide ranging, moderately priced menu, with a focus on breakfast fare.

Note 2. Assets Held For Sale The amount included in assets held for sale at March 31, 1992 represents the estimated net realizable value of five Howard Johnson's Restaurants. Subsequent to March 31, 1992 the Company completed the sale and received proceeds approximating the net realizable value. These proceeds were used to reduce long term debt. In addition, the Company sold one Restaurant prior to March 31, 1992 and received approximately $271,000 of net proceeds. The excess of book value over the net realizable value of all six Restaurants has been recorded as an increase in the excess of cost over fair value of net assets acquired as of March 31, 1992.

Note 3. Composition of Certain Financial Statement Components

	March 31, 1992	December 31, 1991
Property, Building and Equipment, at cost		
Land	$ 6,725,000	$ 6,725,000
Buildings and improvements	11,218,000	11,938,000
Buildings held pursuant to capital leases	779,000	779,000
Equipment, furniture and fixtures	2,814,000	3,056,000
	21,536,000	22,498,000
Less - Accumulated depreciation and amortization	(683,000)	(483,000)
	$20,853,000	$22,015,000

	March 31, 1992	December 31, 1991
Intangible Assets		
Excess of cost over fair value of net assets acquired	$ 1,148,000	$ 987,000
Trademarks	1,020,000	1,020,000
Liquor licences	85,000	135,000
	2,253,000	2,142,000
Less - Accumulated amortization	(42,000)	(28,000)
	$ 2,211,000	$ 2,114,000

The excess of cost over fair value of net assets acquired, trademarks and liquor licenses balances represent the value assigned to these intangible assets upon the purchase of the Restaurants by ELXSI. Amortization expense for the three months ended March 31, 1992 was $14,000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Revenues and Expenses The Company's 1992 revenues and expenses result from the operation of the Bickford's and Howard Johnson's Restaurants (the "Restaurants") which were acquired on July 1, 1991. The Company's operations during the first half of 1991 focused primarily on the search for suitable acquisitions and the negotiations for the purchase of the Restaurants. Accordingly, a comparison of the results of operations for the three months ended March 31, 1992 to the same period in the prior year is not meaningful. During the first three months of 1992, the Company had net sales of $8,880,000, cost of sales of $7,129,000, general and administrative expenses of $514,000 and depreciation and amortization of $316,000, resulting in operating income of $921,000. Operating income was reduced by interest expense of $383,000 and a provision for income taxes of $58,000 resulting in net income for the first quarter of $480,000 compared to a net loss of $87,000 for the same period in the prior year.

The results of operations for the first quarter of 1992 exceeded management's expectations due to the mild weather experienced in New England, the lower cost of food items and a higher than anticipated average guest check.

During the first quarter of 1992, the Company sold it's Howard Johnson's Restaurant located in Braintree, Massachusetts for net sales proceeds of approximately $271,000. Subsequent to March 31, 1992, the Company sold five additional Howard Johnson's Restaurants for net proceeds of approximately $677,000. The $677,000 has been reflected in the accompanying financial statement as assets held for sale at March 31, 1992. The excess of book value over the net realizable value of all six Restaurants has been recorded as an increase in the excess of cost over fair value of net assets acquired as of March 31, 1992. The net proceeds from the sales have been used to reduce long term debt.

Liquidity and Capital Resources

Available Resources The Company's unrestricted consolidated cash positions at March 31, 1992 and December 31, 1991 was $0.

In connection with the Company's loan agreement with its bank, the Company instituted a cash management system whereby the net cash generated by operations is immediately used to reduce bank debt. The immediate reduction of outstanding debt provides the Company with a greater reduction in interest expense than could be offset with interest income from alternative investments. In the absence of the loan agreement requiring such a system, the Company would continue to use excess funds to immediately reduce bank debt since it currently provides the Company with its best return. A review of the financial statements, working capital and discussion of liquidity must take into consideration that the Company does not maintain any cash balances in any of its accounts by design. Working capital needs, when they arise, are met by daily borrowings.

Future Needs For and Sources of Capital The Company believes that cash to be provided by operations and funds available under its loan agreement will be sufficient to fund the Company's future cash needs, other than for acquisitions. In addition, ELXSI Corporation's Board of Directors may also call upon The Airlie Group L.P.("Airlie"), Milley & Company and Continental Illinois Equity Corporation, pursuant to their remaining debt commitment to ELXSI Corporation to purchase $2,500,000 of promissory notes. These notes would bear interest at a rate that is 600 basis points above the highest of (a) the three month Treasury bill rate, (b) the ten year Treasury bill note rate and (c) the thirty year Treasury bond rate each calculated two days prior to the note purchase date. The debt commitment expires on the later of July 1, 1994 or, if Airlie is in existence beyond that date, such later date as the partners of Airlie may choose, but in no event later than September 30 , 1999.

PART II. OTHER INFORMATION

Item 5. Other Information

On April 6, 1992, ELXSI Corporation's Board of Directors accepted the resignations of Mr. James K. Dutton, Mr. Steven D. Hollopeter, Mr. Brian E. Kinsman and Mr. Roger L. Keech as members of the Board of Directors. These resignations resulted in there being five remaining directors and in accordance with the Bylaws of ELXSI Corporation the Board of Directors thereupon fixed the number of Directors constituting the full board at five.

The remaining five directors, Alexander M. Milley, Kevin P. Lynch, Robert C. Shaw, Farrokh K. Kavarana and John C. Savage were each designated as nominees for election as directors of ELXSI Corporation at its annual meeting of shareholders scheduled to be held on May 27, 1992.

In connection with the above resignations, the board committee memberships were changed by the Board of Directors to the following:

Executive Committee - To consist of Mr. Milley, Mr. Shaw and Mr. Lynch
Compensation Committee - To consist of Mr. Milley, Mr. Savage and Mr. Kavarana
Audit Committee - To consist of Mr. Lynch , Mr. Savage and Mr. Kavarana

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits -none

b. Reports on Form 8-K - ELXSI Corporation did not file any reports on Form 8-K during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ELXSI CORPORATION
(Registrant)

Date: May 12, 1992

Alexander M. Milley, Chairman of the Board,
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 12, 1992

Thomas R. Duggan, Vice President Finance,
Treasurer and Corporate Secretary
(Chief Accounting Officer)